

## **Board Communique: September 2020**

### **The Energy Consumers Australia Board met via video conference on 24 September 2020.**

#### **Reference Committee**

The Board held the fourth meeting of the year with the Reference Committee. The Reference Committee was joined by Cynthia Gebert, Energy and Water Ombudsman Victoria, as an observer.

Members discussed the energy market transition, in particular, noting the future of the energy market is complex. Some jurisdictions have indicated a move away from natural gas, while some are interested in exploring the potential of hydrogen. At the same time, the recent announcements from the Commonwealth Government around future gas-fired power stations reminds us that "gas" is an umbrella term that covers many markets: domestic residential and commercial usage; the export market; mining and resources; and the electricity market.

This complexity led to a broad-spectrum discussion about national gas policy and highlights the need for focused work-streams to understand the consumer impacts of current and emerging policy. Members also considered the Commonwealth Government's support for priority projects under the Integrated System Plan and discussed the level of risk that is faced by consumers as a result of these projects and the need to ensure that such investment is least cost to consumers.

#### **Priorities and emerging consumer issues**

The Board was briefed on the first round of community engagement in East Gippsland looking at the impact of the summer bushfires on households and small business energy consumers. Importantly, this work is seeking to better understand resilience from the perspective of people and communities experiencing major shocks like the bushfires, and now COVID-19. The Board's view is that understanding how energy services systems, and infrastructure performed in a crisis from a human perspective is not just critical for preparation and recovery, but is also of broader relevance to the way the energy transition – which involves change and disruption over a long period of time – is managed.

The Board also discussed the ongoing Post 2025 Market Reform process being led by the Energy Security Board. The Board welcomed the focus on consumer needs in the consultation paper that was released on 7 September 2020, and a direction of travel that would have changes made in a way that was carefully mapped-out and staged in a way that reflects the essential nature of energy services for households and small businesses.

The Board discussed the importance of the design being informed by a clearly articulated, consumer vision for the future of energy. The final proposal, which covers technical matters around engineering, systems, and markets, must be communicated in an accessible way that builds engagement and confidence in the process. The Board was briefed on the input consumer representatives have had in the workstreams to ensure the link is made between theoretical designs and real-world outcomes for energy consumers.

The Board welcomed the decision of the Australian Competition Tribunal to authorise the New Energy Tech Consumer Code with amendments, for a period of five years. The Tribunal's decision substantially achieves the objective of providing a flexible and adaptable consumer protections framework for new energy technology.

The Board agreed that successful reform needs a strong consumer voice to ensure consumer-centred and consumer-led market development. How best to support consumer advocacy and research is the core question within our ongoing Grants Program Review; the Board was updated on progress, including common themes emerging from the interviews with over 60 individuals and organisations, and agreed to set aside time to consider the questions raised by the Review in a separate workshop within the next few weeks, including to decide the next form of stakeholder engagement.